

TCFD Disclosure

Gore Mutual Insurance Company Case Study



## Objective & Overview

Regulators are continuing to use the TCFD framework to guide Financial Institutions (FIs) in managing their climate-related risk exposures.

#### The Why:

Regulators want to ensure the following:

1. That FIs understand and mitigate against potential impacts of climate-related risks to its business model and strategy.

2. That FIs have the appropriate governance and risk management practices to manage identified climate-related risks.

3. That FIs remains financially resilient through severe, yet plausible, climate risk scenarios, and operationally resilient through disruption due to climate-related disasters.



#### The How:

The are looking for Financial Institutions to do this by:

Conducting physical and transition risk materiality assessments and the collection and analysis of climate-related data

Developing appropriate governance and remuneration models with Board, Executive and frontline accountability to climate-related risks

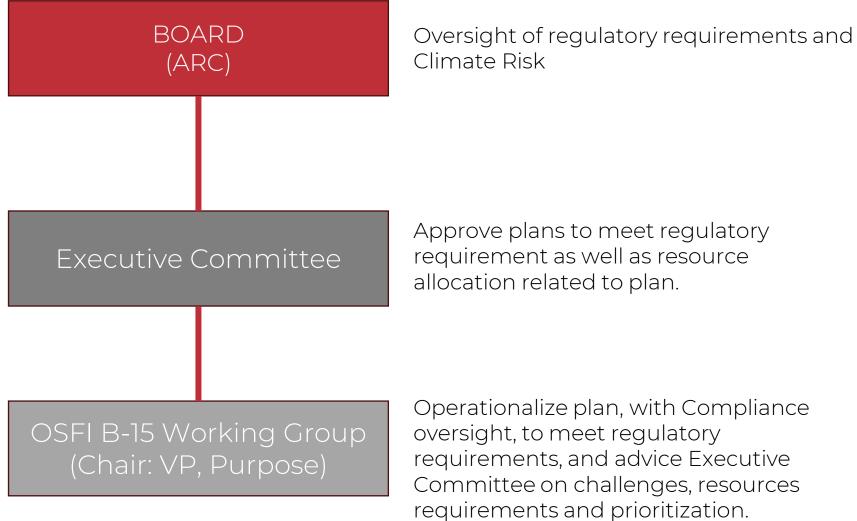
Conducting scenario analysis and stress tests related to climate-related risks with long-term timelines (2030-2100) and developing climate risk appetite statements and thresholds

## OSFI Guideline B-15 Climate Risk Management

On March 2023 the Office of the Superintendent of Financial Institutions Canada (OSFI) released Guideline B15: Climate Risk Management, which sets out OSFI's expectations for the management of climate-related risks. The framework used in B15 is in alignment with TCFD and OSFI is looking to further align to the new ISSB standards over the next few years.

Ontario Pension Benefits Act Regulation 909 Pension plan statement of investment policies and procedures (SIPPs) must include how ESG factors are incorporated into the plan's investment policies and procedures.	2017	2018	Canadian Securities Administrators, Staff Notice 51-358 Reporting of Climate Change-related Risks Companies must disclose material climate risks and how they are addressing them. 2019	Carol Hansell Opinion Corporate directors are obliged to address climate risks. 2020	UK Mandatory Climate Disclosure Pensions > £5B Banks, building societies, insurance, premium listed companies. Randy Bauslaugh Opinion Fiduciaries are responsible for failure to properly take climate change risks into account.	Canadian Securities Administrators, Staff Notice 51-364 Continuous Disclosure Review Program Activities for the fiscal years ending March 31, 2022, and March 31, 2022, and March 31, 2021 Concerns about greenwashing on promoting false ESG claims Canada Mandatory Disclosure Crown corps > \$1B.	US SEC Proposed Mandatory Climate Disclosures US public companies. 2023	Office of the Superintendent of Financial Institutions, Guideline B-15: Climate Risk Management Federally regulated financial institutions. Canada Mandatory Disclosure Crown corps < \$1B.
(2010) US SEC Guidance Companies should consider how climate change impacts their operations and financial statements, including both direct and indirect impacts, such as impacts on suppliers and customers.		EU Directive on Non-Financial Reporting Large corporations (>500 employees), banks and insurance companies of any size must disclose ESG information.			Canadian Securities Administrators, Proposed National Instrument 51-107 Disclosure of Climate-related Matters Proposed requirements for climate-related disclosures by corporate issuers. EU Regulation 2019/2088 Financial market participants must disclose information on inclusion of ESG assessments in the investment and advisory processes.	UK Mandatory Climate Disclosure Pensions > £1B Banks, building societies, insurance, premium listed companies. Japan Mandatory Climate Disclosure Large companies, including companies listed on the Tokyo Stock Exchange. Singapore Mandatory Climate Disclosure All issuers included on the Singapore Exchange.	(2023-2025) UK Mandatory Climate Disclosure Other pensions, asset managers, and life insurers. New Zealand Mandatory Climate Disclosure Financial sector > \$1B; all equity and debt issuers. International Sustainability Standards Board (ISSB) New global sustainability (S1) and climate (S2) disclosure standards.	Swiss Mandatory Climate Disclosure Financial actors, public companies >CHF40M. European Financial Reporting Advisory Group, new European Sustainability Reporting Standards All large and most listed EU companies, large subsidiaries of non-EU parents, and non-EU companies with a turnover in the EU of more than EUR 150 million.

# Internal Governance of OSFI B-15



### Olimate Risk Workstreams



Governance Workstream

Ensure a robust Governance model with clear accountability to Executive Committee and Board (Risk, Compliance & PX)

Risk Workstream

Ensure Climate Risk is incorporated in Enterprise Risk Management

(Risk)

#### **Data Workstream**

Ensure reliability and access to data to run scenario analysis and for reporting/disclosing purposes (Finance, Underwriting & Data Management)

Strategy Workstream

Develop a Transition Plan in alignment with Corporate Strategy (Purpose & COO Office)

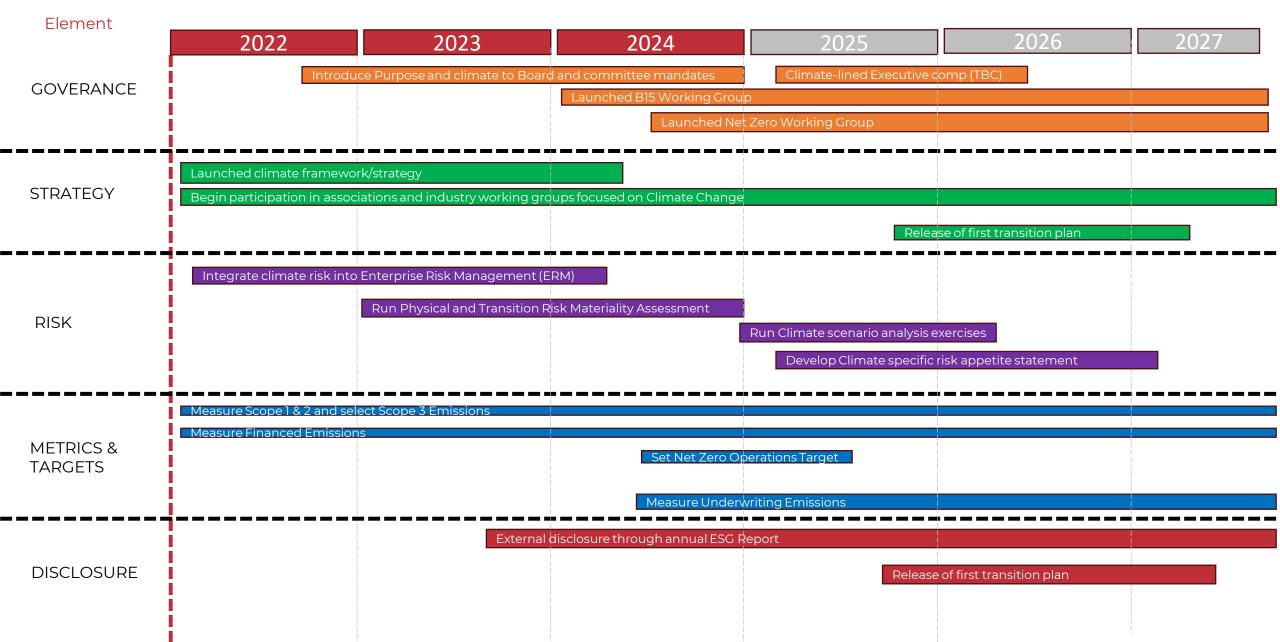
#### **Disclosure Workstream**

Ensure appropriate internal and external disclosure processes and deliverables to meet regulations

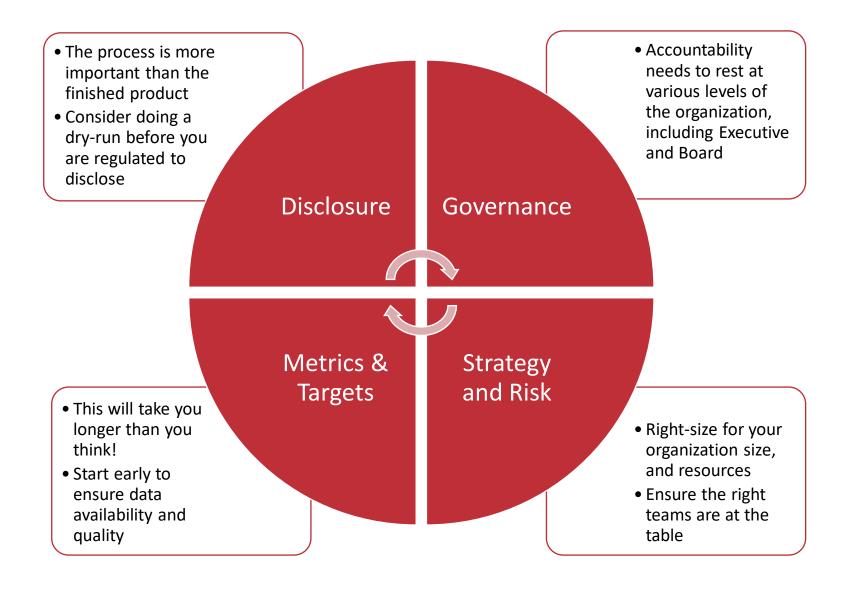
(Purpose & Finance)

#### **Climate Risk On One Page – Enterprise View**

Sequencing of work is subject to change based on the on-going developments regulatory requirements



# • Key Takeaways on Climate Risk



# Questions & Discussion